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Says Credit Card Is Prime Market Force

"Fifty million bank credit cardholders in the United States comprise the strongest marketing force in modern history."

This is the statement made by James E. Brown, senior vice president of the Mercantile Trust Company, St. Louis. Mr. Brown was the first president of Credit Systems, Inc. and is currently a member of the board of directors of Interbank Mastercharge Association.



James E. Brown

"The current number of bank credit card holders represents about 40% of the households in America, and this number is expected to be double by 1975. Retailers cannot ignore the relief from the high cost of carrying accounts receivable and they will all eventually take advantage of this readily available source of funds which they will enjoy at no risk to themselves.

"Another payment aspect of the bank charge card explosion is that the plastic card will serve as the prime vehicle for the eventual change to the checkless society which will involve an automatic transfer to funds. The jumbo jet age will be one of the first categories to take full advantage of the plastic cards automated capabilities.

"There will be no return to the good old days and demand for credit will be terrific. The St. Louis Bankmark plan alone is now running in excess of \$100 million a year in volume and that it is almost entirely free of fraud."

BankAmericard has reported that it now has over 29,500,000 cardholders and that 1969 volume passed the \$2 billion mark.

National Banks May Invest In New Authority...

National banks would be permitted to invest in or deal in obligations of the Environmental Financing Authority under draft legislation sent to Congress last week by the Treasury Department.

The Authority, proposed by President Nixon in his Environmental Message to Congress, is designed to ensure that every municipality can finance its share of sewage treatment plant con-

struction costs. The President's proposal will require \$6 billion of state and local financing to match the proposed Federal share of \$4 billion.

To provide the initial capital for the Authority, the draft bill gives the Treasury Secretary the power to advance to the Authority funds not to exceed \$100 million.

May Restrict Use Of Capital Notes...

The Federal bank regulatory agencies may be moving toward rules on the issuance of capital notes by banks to attract funds at higher yields than permitted under interest rate ceilings that apply to time and savings deposits, some banking sources believe.

These sources say the Federal Reserve Board and the Federal Deposit Insurance Corp. are now reviewing the capital note practice. Tightened rules on the issuance of capital notes could be proposed in the near future, these sources add, if the two agencies conclude that the practice is seriously circumventing the objectives of interest rate ceilings on time and savings deposits.

At present, the Federal Reserve Board exempts from its Regulation Q interest rate ceilings capital notes issued by state member banks and national banks that are

(Continued on Page 4)

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IOWA NEWS

AMES: Iowa State University Extension Service and the agr committee of the Iowa Bankers Association will sponsor in March and April a series of one-day Agricultural Credit Workshops at seven locations across the state. For 1970 these workshops will replace the annual two-day Ag Credit spring conference held on campus at ISU. The workshops will feature new ideas in cash-flow budgets, new ideas in financial statements and business analyses, farm business decisions for the 70's, and financing farm business adjustments and expansion. A complete schedule of dates and locations for the workshops will be found in the March *Northwestern Banker*.

BLOOMFIELD: W. R. Carroll, director of Davis County Savings Bank, has retired from the board after 32 years service as a director. Dr. R. W. Conn, Bloomfield osteopath, and Victor Cowles, farmer-feeder, were elected to the nine-member board.

DECORAH: New officers for the Wineshiek County Bankers Association

were elected during a recent meeting at Decorah State Bank. Officers are: W. D. (Bud) Willer, vice president, Decorah State Bank, president; Adrian Smith, executive vice president, Iowa State Bank, Calmar, vice president; Wayne Thomas, assistant cashier, Security Bank & Trust Co., Decorah, secretary, and Malcolm Rue, vice president, Farmers State Bank, Ridgeway, treasurer. They will serve two-year terms. Decorah will host the Group 4 meeting Friday, May 22.

DES MOINES: The FDIC has approved the application for insurance coverage from Northwest Brenton Bank & Trust Co. (a new bank) to be located in suburban Urbandale. Northwest Des Moines National Bank, a Brenton bank, has operated an office in Urbandale for several years. Junius C. Brenton is president of the new bank, which has \$450,000 in capital accounts.

KEOTA: Construction on the new building for the Farmers Savings Bank are proceeding on schedule and the completion date is June 1, 1970, according to J. R. Helscher, executive vice president of the bank.



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SIOUX CITY: Robert N. Merillat has been appointed vice president and trust officer of the First National Bank, according to Joe T. Grant, president. Mr. Merillat has moved from Paris, Ill., where he was vice president and trust officer of Edgard County National Bank & Trust Co. He is a native of Des Moines, a graduate of Drake University law school and served as an attorney for the City of Des Moines and special assistant attorney general of Iowa before moving to Paris, Ill.

NEBRASKA NEWS

OMAHA: The Bank Management Seminar sponsored by the Nebraska Bankers Association will be held March 3 and 4 at the Prom Town House Motor Inn, 72nd & Dodge Sts., in Omaha. Registration starts at 10:00 a.m. in the ballroom foyer followed by luncheon in the ballroom at noon. The afternoon program follows:

Remarks—Eldon G. Freudenburg, chairman, Committee on Bank Management, and president, First National Bank, West Point.

Welcome—Adon Jeffrey, president, NBA, and president, First National Bank, Wayne.

Asset Management—Eugene F. Everett, executive vice president, Union National Bank, Springfield, Mo. Followed by presentation of Case Study. Discussion groups for solving Case Study.

Case Study solution—Mr. Everett.

The social hour will commence at 5:30 p.m., followed by dinner at 6:30 p.m. after which Wayne R. Starr, president, Citizens State Bank & Trust Co., Hiawatha, Kan., will discuss "Bank Marketing."

On Wednesday, March 4, after a Continental Breakfast at 8:00 a.m., Dale L. Reistad, president of Payment Systems, Inc., New York, will conduct the first session of a "Payments System Seminar" starting at 9:15 a.m. After a break for lunch in the ballroom, he will conduct the second session on the same subject. There will be a Seminar critique at 3:30 p.m., with adjournment scheduled for 3:30 p.m.

OMAHA: Promotions for three men were announced at The Omaha National Bank. George A. Grieb was elected vice president; Robert M. Waddle was advanced to second vice president and Martin L. McCartney was named advertising officer. Mr. Grieb previously was assistant vice president, metropolitan division, National Bank of Detroit.

OMAHA: Don Ostrand, vice president in charge of the correspondent bank department at First National Bank,

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has announced the bank's annual "Chuck Wagon Roundup" will be held at Ak-Sar-Ben Coliseum in Omaha on Thursday, March 26.

OMAHA: Douglas County Bank has promoted Richard O. Lines to assistant vice president. Michael H. Andersen and Cathleen J. McKenna have been named assistant cashiers.

VALPARAISO: Officers elected at the annual meeting of Oak Creek Valley Bank are: John C. Barry, president; Eldon G. Freudenburg, vice president; Joseph C. Masek, cashier, and Kathryn Saulnier, assistant cashier. Mr. Freudenburg was president and Mr. Barry was executive vice president and cashier. Mr. Masek was promoted from assistant cashier.

MINNESOTA NEWS

BROOKLYN CENTER: Ed. J. Hamernick, president and chief executive officer of Brooklyn Center State Bank, announces that open house will be held during the entire week in the bank's new facilities. Featuring the newest Mosler drive-in teller equipment, the new complex is attracting considerable attention.

ST. LOUIS PARK: Plans to merge Park Plaza State Bank with Mid America Bancorporation, Inc., were announced February 17 by Charles Bard, president of Park Plaza. Mid America would acquire more than 90% of the outstanding stock. The merger would require approval of the Federal Reserve Board. Park Plaza has deposits of \$12,000,000 and serves west Minneapolis and communities of west Edina, Hopkins, St. Louis Park, Golden Valley and Plymouth. It was organized in 1955. This would be Mid America's fourth acquisition.

THIEF RIVER FALLS: Gene Beito, president of Northern State Bank, has announced the following promotions: Orville Botner, from assistant vice president to vice president; Fred Dallmann, from assistant cashier to assistant vice president, and Steve Stokke to assistant cashier.

THIEF RIVER FALLS: J. J. Womack, president, Union State Bank, announced these promotions following the annual meeting: Kenneth Onken, from vice president and cashier to senior vice president and cashier; Robert Ryan, from assistant vice

president to vice president and marketing director; Fred Sorensen, from assistant vice president to vice president and ag rep; Robert Kosel, from assistant cashier to installment loan officer.

ST. PAUL: Paul R. Weisman, vice president of A. Weisman Company, Minneapolis, has been elected a director of First Produce State Bank, it was announced by Thomas C. Jackson, president of the bank.

ST. PAUL: John A. Mason, manager of the personal banking department at Northwestern National Bank, has been promoted to assistant vice president. Myrtle H. Prodoehl, Boyd E. Brooks and Larry D. Kraning were named personal banking officers.

MINNEAPOLIS: The Bank of Minneapolis and Trust Company directors have promoted Harold P. Weinacht from auditor to cashier. Authorization also has been received from the Minnesota banking department to increase the amount of capital stock from \$500,000 to \$633,330 by sale of new stock.

ILLINOIS NEWS

CHICAGO: The Illinois Bankers Association will conduct its 18th Annual Public Relations and Marketing Conference February 25-26 at the Knickerbocker Hotel. Registration starts at 6:00 p.m. February 25, with the Early Bird Party at 7:00 p.m. The conference starts at 9:15 a.m. the next morning with Marvin R. Strunk, conference chairman and

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senior vice president, Madison Bank & Trust, Chicago, presiding.

The morning program will feature: "Changing Social Patterns" - Dr. Bernard H. Baum, professor management, University of Illinois.

"Banking in the 70's" - Richard Beal, executive vice president, Foundation for Full Service Banks, Philadelphia.

"Critical Analysis of Bank Public Relations" - Richard W. Peterson, vice president and director of marketing, First National, Phoenix, Ariz.

Luncheon speaker is George Mihaly, president, Gilbert Marketing Group, Inc., New York, with the topic, "The Youth Market." A series of panels in the afternoon will feature these topics:

Market Research, Officer Call Programs, Advertising, Staff Training and Incentive Programs, Pricing of Services and Savings Programs.

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six new members of the regional advisory committee on banking policies and practices appointed for a two-year term ending December 31, 1971. The appointment was announced by J. R. Thomas, Denver, regional administrator for the 12th national bank region.

Capital Notes...

(Continued from Page 1)

subordinate to claims of depositors and have maturities of more than two years.

FDIC has no such restriction in effect for state nonmember banks, but it did gain authority in the latest extension of the Interest Rate Control Act of 1966 to impose regulations "on obligations other than deposits that are undertaken by insured non-member banks or their affiliates for the purpose of obtaining funds to be used in the banking business."

NORTH DAKOTA NEWS

DICKINSON: The installment loan committee of the North Dakota Bankers Association will sponsor its Installment Loan Conference March 5 and 6. There will be a social hour and smorgasbord the evening of March 5 in the First National Bank. The business meetings will convene at 9:00 a.m. on March 6 at the Liberty National Bank & Trust Co.

Wm. J. Addington, assistant vice president, Marquette National, Minneapolis, will speak on credit cards. H. W. Daniels, vice president, Midland National, Billings, will discuss "Installment Loans." Roger West, FDIC supervising examiner, Minneapolis, will talk on "FDIC Policies and Problems." Merle V. Stone, vice president, American National Bank & Trust Co., St. Paul, will speak on "Computer Banking." Following these speakers, there will be two groups of informal discussions.

SOUTH DAKOTA NEWS

ABERDEEN: Six men have been promoted at First National Bank. They are: Larry Klingman, operations officer, Aberdeen head office; Robert Osborne, ag loan officer and Kenneth Strandvold, insurance officer, Milbank branch; Everett Kelley, ag loan officer, Britton branch; Lyle Paschke, ag loan officer, Redfield branch, and Dave Stuklen, assistant manager, Groton branch.

WYOMING NEWS

RAWLINS: Floyd Rummel, Jr., president of First National Bank, has announced plans to expand and remodel the bank's interior. The plans include enclosing an arcade which extends along the north wall and rearrangement of the lobby interior which will make room for an installment loan department, a conference room, note payment desk and waiting area. The arcade design will provide a separate entrance into the installment loan department. Walnut paneling will be installed on the walls and the lobby and entry area will be carpeted.

WHEATLAND: A. Edward Kendig, president of First National Bank, is among

MONTANA NEWS

BILLINGS: John R. Cherne has been elected assistant vice president of Valley State Bank. He has been associated with the Midland National Bank of Billings since 1962.

BILLINGS: The Glacier Chapter of the Bank Administration Institute will hold its quarterly meeting on Saturday, March 7, at the Northern Hotel. Registration begins at 9:00 a.m. Subjects to be covered include: Accrual Accounting - Realistic Accounting: Why?; Management Reports Out of Computer, and Nuisance Items, Requests of Banks & Banking Court-tesies.

HELENA: Plans are now being made for the annual trip to Washington to visit members of Congress and the various banking agencies. The dates are April 12-15. Montana will again join North and South Dakota.

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